

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6230-01
Bill No.: HB 2492
Subject: Children and Minors; Adoption; Children's Division
Type: Original
Date: April 11, 2016

Bill Summary: This proposal allows kinship placements for foster children.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$0 to \$221,418)	(\$0 to \$265,702)	(\$0 to \$265,702)
Total Estimated Net Effect on General Revenue	(\$0 to \$221,418)	(\$0 to \$265,702)	(\$0 to \$265,702)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Savings and losses \$0 to exceeding \$200,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes the provisions in section 210.565.2 and 210.565.8 are similar to the provisions of SB 1073 (LR# 2526-01) from the current session. In response to SB 1073, officials from the **Department of Social Services (DSS) - Children's Division (CD), Division of Legal Services (DLS) and Division of Youth Services (DYS)** stated current law provides definitions of terms as used in this section. This bill adds a definition for "Kin" or "Kinship" which means: a person who is related to the child by blood or affinity beyond the third degree, or person who is not so related to the child but has a close relationship with the child or the child's family, including but not limited to godparents, neighbors, teachers, or close family friends.

In section 210.565.8, current law provides an exception on a case by case basis in which non-safety related requirements may be waived for grandparents or other relatives in regard to foster care licensure. This bill adds "kin" to that provision.

DLS officials stated section 210.565.8-9 further requires CD to allow non-safety waivers for children to be placed in kinship homes. Federal law does not allow this and thus DSS would not be able to claim IV-E funding for them.

As a result, children who were previously eligible for IV-E funding would no longer be eligible and would become state funded, increasing the need for General Revenue.

CD anticipates that there could be the loss of federal IV-E funding as a result of this legislation. The losses could affect funding for Foster Care, Adoption Assistance, Adoption Incentives, Chafee and Guardianship. As of February 2016, there were 473 children in unlicensed kinship homes. With this change in law, CD assumes the number of children would increase by 25% or 118. Based on the FY 2015 Foster Care maintenance rate for ages 6-12 with the professional parenting payment, the total cost of the additional children is \$635,784 (\$5,388 x 118). With the assumption CD will lose the FMAP rate (63.32%) of the eligibility rate (66%) of the \$635,784, it is estimated the impact to General Revenue would be \$0 to \$265,702.

ASSUMPTION (continued)

The Children's Division will have some additional requirements with case plans and updating some procedural measures based upon this legislation.

DYS has no fiscal impact from this legislation.

Oversight assumes the General Assembly would replace the lost federal IV-E funds with General Revenue funds to continue the program. Oversight also assumes lost funds for FY 2017 would be for 10 months.

In response to the current proposal, officials from the **Office of State Courts Administrator** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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GENERAL REVENUE FUNDS

Costs - DSS

Replacement of lost IV-E funds due to non-safety waivers for kinship placements	<u>(\$0 to \$221,418)</u>	<u>(\$0 to \$265,702)</u>	<u>(\$0 to \$265,702)</u>
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUNDS**

<u>(\$0 to \$221,418)</u>	<u>(\$0 to \$265,702)</u>	<u>(\$0 to \$265,702)</u>
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FEDERAL FUNDS

Savings - DSS

Reduction in IV-E funds used	\$0 to \$221,415	\$0 to \$265,702	\$0 to \$265,702
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Loss - DSS

Reduction in eligibility for IV-E funds for non-safety waivers for kinship placements	<u>(\$0 to \$221,418)</u>	<u>(\$0 to \$265,702)</u>	<u>(\$0 to \$265,702)</u>
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**ESTIMATED NET EFFECT ON
FEDERAL FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

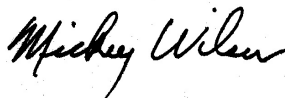
FISCAL DESCRIPTION

This bill defines the word "kin" to be a person who is not related by blood, marriage, or adoption who has a close relationship with the child or the child's family, including a godparent, neighbor, teacher, close family friend, fellow church member, or a person who has a close relationship with the child or the child's family is related to the child by blood or marriage beyond the third degree of consanguinity or affinity. The bill adds kin to the individuals for whom standards for licensure not related to safety waived for specific children in care if the standards would otherwise impede licensing of the kin's home.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services -
Children's Division
Division of Legal Services
Division of Youth Services
Office of State Courts Administrator



Mickey Wilson, CPA
Director

Ross Strobe
Assistant Director

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